



U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

4400.6A

11/12/86

SUBJ: EVALUATION OF SOLICITED TECHNICAL PROPOSALS

1. PURPOSE. This order prescribes procedures which apply when evaluating solicited technical proposals. It summarizes and supplements Federal Acquisition Regulation (FAR) Subpart 15.6, Source Selection, especially FAR 15.608(a)(2), "Technical Evaluations."
2. DISTRIBUTION. This order is distributed to the division level in Washington, to the division level in the regions with a branch level distribution in the Airway Facilities and Logistics Divisions; to the division level at the Aeronautical Center with a section level distribution in the Procurement Division and the FAA Depot; and to the division level at the FAA Technical Center with a branch level distribution to the Acquisition and Materiel Services Division.
3. CANCELLATION. Order 4400.6 of September 28, 1965, is cancelled.
4. REFERENCE. The latest versions of Orders 4405.10, Source Selection; and 4400.12, Use of Negotiation Team, and FAR Subpart 15.6, Source Selection.
5. BACKGROUND. In the acquisition of technically complex items, contract awards are often based substantially on technical ability, together with consideration of price and other factors. Consequently, technical proposals are usually solicited together with cost and, as appropriate, other proposals. The evaluation of the technical proposal is an important step in the overall process of source evaluation and selection.
6. SCOPE
 - a. The provisions of this order apply to competitively negotiated procurements when the estimated cost is \$2,000,000 or less, subject to the following:
 - b. Follow-on Potential: A procurement of \$2,000,000 or less is not subject to the provisions of this order if it is likely to receive funding for a future phase or phases of the same project and the aggregate amount of such funding (including the current procurement) is estimated to exceed \$2,000,000.
 - c. Certain R&D: A procurement which has as its principal purpose research, development, test or evaluation of a product or

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process that is likely to have widespread commercial application, usage, or sale is subject to the provisions of this order only if the estimated cost is \$1,000,000* or less.

d. In any event, this order is not mandatory for procurements of \$100,000 or less. For such smaller procurements, it serves as a guideline, providing principles but not necessarily detailed procedures in connection with the evaluation of technical proposals received in response to a Request for Proposals or a Request for Quotations. In particular, in this dollar range, it should not be necessary to provide a written technical evaluation plan, otherwise required by paragraph 8. This provision, however, should not be interpreted as relieving the procurement offices of the responsibility for complying with the full requirements of the acquisition regulations simply because the procurement is in the range of \$100,000 or below. An example of a still applicable requirement is the provision of FAR that, in competitively negotiated procurements, the solicitation shall clearly state the evaluation factors that will be considered in making the source selection, and their relative importance (a requirement which is applicable to procurements which are above the small purchase threshold, \$25,000 (FAR 15.605(e))).

e. This order does not apply to acquisitions of Architect-Engineer Services, or to technical proposals received under two step sealed bidding.

7. DEFINITIONS.

a. "Clarification" means communication with an offeror for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal. It is achieved by explanation or substantiation, either in response to Government inquiry or as initiated by the offeror. Unlike discussion (see definition below), clarification does not give the offeror an opportunity to revise or modify its proposal, except to the extent that correction of apparent clerical mistakes results in a revision.

b. "Deficiency" means any part of a proposal that fails to satisfy the Government's requirements.

c. "Discussion" means any oral or written communication between the Government and an offeror, (other than communications conducted for the purpose of minor clarification) whether or not initiated by the Government, that (a) involves information essential for determining the acceptability of a proposal, or (b), provides the offeror an opportunity to revise or modify its proposal.

*or as may otherwise be stated in the latest version of Order 4405.10.

d. "Ambiguity" refers to a proposal statement which is incomplete or otherwise so vague that its intended meaning is unclear and, consequently, complete evaluation of the proposal would not be possible without obtaining a clarification.

8. TECHNICAL EVALUATION PLAN.

a. Applicability. Before the issuance of each competitive request for proposals not covered by the formal selection procedures of Order 4405.10 (which includes Order DOT 4200.11), the contract specialist will request the requiring office to prepare a technical evaluation plan. (The foregoing applies only to those procurements in which a technical proposal is to be required.)

b. Content of plan. The extent of the plan will vary depending upon the size and complexity of the acquisition(s). As a minimum, it should identify the person or persons who will be evaluating the technical proposals and it must set forth the technical evaluation criteria and weights to be assigned to the criteria. For larger acquisitions, a technical evaluation team should be formally established and the plan should describe the expected activities of this team.

c. Submission of plan. The plan shall be signed by the person who will conduct the evaluation or by the chairperson of the technical evaluation team and also by the contracting officer. The plan will be included as part of the pre-award summary.

d. Contracting officer briefing. For every competitive negotiated acquisition the evaluators shall be briefed on their duties and responsibilities by the contracting officer. The briefing will be conducted before the technical proposals are given to the evaluators, and will particularly emphasize:

(1) The responsibilities of team members.

(2) The concept of competitive range, and the respective roles of the evaluation team and the contracting officer in making the determination of competitive range.

(3) The importance of a complete narrative explanation of the evaluation results.

(4) Confidentiality of handling of proposals including non-release of information.

9. TECHNICAL EVALUATION FACTORS: Responsibility for Development, and the Nature of Such Factors.

a. A list of technical evaluation factors and any subfactors, and their weightings, shall be provided to the contracting officer by the technical office prior to solicitation.

b. The factors that will be considered in evaluating proposals must be tailored to each acquisition and include only those factors that will have an impact on the source selection decision.

c. Examples of Factors:

(1) The evaluation factors that apply to an acquisition and the relative importance of those factors are within the broad discretion of agency acquisition officials. However, price or cost to the Government shall be included as an evaluation factor in every source selection but shall not be numerically scored.

(2) Although included as an evaluation factor, price or cost to the Government is not to be included among the technical evaluation factors, and is not to be evaluated as part of the technical proposal evaluation (see paragraph 13.a.). Instead, it is to be considered in the context of the review of the overall response to the solicitation.

(3) Examples of other evaluation factors that may apply to a particular acquisition are technical excellence, management capability, personnel qualifications, specific experience, and any other relevant factors.

d. The solicitation shall clearly state the evaluation factors, including price or cost and any significant subfactors, that will be considered in making the source selection and their relative importance. Numerical weights, which may be employed in the evaluation of proposals, shall not be disclosed in the solicitation or in any other way. The evaluation factors shall be listed in the solicitation in descending order of importance with an indication, in narrative form, of their relative importance. The solicitation shall inform offerors of minimum requirements that apply to particular evaluation factors and subfactors.

10. EVALUATORS. There shall be at least three technical evaluators in each procurement. This will enhance objectivity and reduce predisposition or biases toward a particular technical approach or offeror.

11. TECHNICAL EVALUATION: PRELIMINARY REVIEW OF TECHNICAL PROPOSALS

a. Price Withheld. Pricing information shall be withheld from the technical evaluators until after they have completed the technical evaluation report.

b. Preliminary Review. The technical evaluators shall screen all proposals received. A proposal may be eliminated from further consideration, before the detailed ratings, if the proposal is so grossly deficient as to be totally unacceptable on its face. For

example, if the proposal does not represent a reasonable effort to address the essential requirements of the solicitation or clearly demonstrates that the offeror does not understand the requirements of the solicitation. For a proposal to be eliminated at this phase, the contracting officer, with advice from the technical evaluators and the legal representative, must determine that the proposal is so grossly deficient as to require a major rewrite or major redirection before it could be considered for evaluation. The complete rationale for the recommendation to eliminate any proposal shall be included in the Technical Evaluation Report.

Prompt notification shall be provided by the contracting officer to each offeror which has been eliminated from further consideration. This notification shall:

(1) Indicate in general terms the basis for the elimination of the offeror.

(2) Advise that, since further communication with the offeror concerning the technical proposal is not contemplated, a revision of the proposal will not be considered.

(3) Specify that no further information will be available until after contract award.

c. Needed Clarification. After preliminary review of the proposals, the technical evaluators shall identify any ambiguities which require clarification in the proposals and inform the contracting officer of these, in writing. The contracting officer shall attempt to obtain clarification by contacting the offerors involved. No discussion of proposal weaknesses or deficiencies shall take place at this time. The contracting officer shall provide to the technical evaluation team the offerors responses to the request for clarifications.

12. TECHNICAL EVALUATION.

a. General. After the receipt of any clarifications, the technical evaluators shall proceed to evaluate all proposals and report their findings to the contracting officer.

b. Technical Evaluation. This evaluation is an assessment of the offeror's ability, as evidenced by the technical proposal, to successfully meet the specification requirements and/or Statement of Work. It may include an assessment of the offerors technical approach, its proposed design, technical innovations, manufacturing processes, testing, and quality control procedures to meet the solicitation requirements. In performing this assessment, the technical evaluators gain an understanding of how the offeror proposes to meet the Government's requirements.

c. Application of Evaluation Factors. The technical evaluation shall be based on the technical evaluation factors set forth in the solicitation, except as noted in paragraph 13, below.

d. Other Matters.

Also addressed in the technical evaluation are:

(1) Any significant area(s) in which the item(s) or service(s) proposed exceed the technical requirements of the solicitation, thereby affording the possibility of a cost reduction during subsequent negotiations; and

(2) A listing of strengths and/or weaknesses in the offeror's approach including any indication of whether any weaknesses or deficiencies are correctable without a substantial change to the approach originally proposed.

13. FACTORS NOT TO BE CONSIDERED IN THE TECHNICAL EVALUATIONS.
The evaluation of a technical proposal shall not include factors, such as those listed below, which are to be considered by Government specialists other than technical evaluators:

- a. Cost/Price.
- b. Financial capability.
- c. Availability of adequate facilities or equipment (as might be determined by a preaward on-site survey).
- d. Small business subcontracting policy.
- e. Equal opportunity policy.
- f. Cost estimating and accounting practices (including labor, overhead and General and Administrative (G&A) rates).
- g. Security clearances (when applicable).
- h. Property and inventory control methods.
- i. Cost reporting methods/techniques.
- j. Past performance record.

14. DOCUMENTING THE TECHNICAL EVALUATION.

a. Technical Evaluation Report. A written technical evaluation report shall be prepared and signed by the technical evaluators, and transmitted to the contracting officer. It shall contain the following information:

- (1) The basis for evaluation (This may consist of a copy of the evaluation plan);

(2) An analysis of the technically acceptable and unacceptable proposals, including an assessment of each offeror's ability to accomplish the technical requirements;

(3) A summary, matrix, or quantitative ranking of each technical proposal in relation to the maximum rating possible; and

(4) A summary of findings.

b. The evaluation report shall include copies of worksheets and any comments submitted by the individual evaluators.

15. COMPETITIVE RANGE. The contracting officer shall determine which proposals are in the competitive range in accordance with FAR 15.609(a) and (b). A competitive range determination must include cost or price proposals (FAR 15.609(d)).

16. WRITTEN OR ORAL DISCUSSION. Written or oral discussion shall be conducted with all offerors in the competitive range in accordance with FAR 15.610(b).

17. NEGOTIATION TEAM. The procedure for use of an acquisition negotiation team in contract and contract modification negotiations above the threshold of \$250,000 is prescribed in Order 4400.12, Use of Negotiation Team.

18. BEST AND FINAL OFFERS. Upon completion of discussions, the contracting officer shall issue to all offerors still within the competitive range a request for best and final offers in accordance with FAR 15.611.

19. REVISION TO TECHNICAL EVALUATION. If the technical proposals are significantly revised with the submission of the best and final offers, this fact shall be noted by the technical evaluators in addition to noting any resulting changes in the ranking of the technical proposals. The evaluators shall prepare an addendum to the technical evaluation report stating these changes, and how they change the evaluation.

20. SELECTION. Following evaluation of the best and final offers, the contracting officer shall select that source whose best and final offer is most advantageous to the Government, considering only price and the other factors included in the solicitation.

21. CANCELLATION. All proposals received may be rejected pursuant to a written determination by the agency head that cancellation is clearly in the Government's interest, for example, because all otherwise acceptable proposals received are at unreasonable prices (FAR 15.608(b)).



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